

**MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT**

**Permitting and Compliance Division
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PPL Montana, LLC
J.E. Corette Plant
301 Charlene St.
P.O. Box 30495
Billings, MT 59107

The following table summarizes the air quality programs testing, monitoring, and reporting requirements applicable to this facility.

Facility Compliance Requirements	Yes	No	Comments
Source Tests Required	X		
Ambient Monitoring Required		X	
COMS Required	X		
CEMS Required	X		
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		
Monthly Reporting Required		X	
Quarterly Reporting Required	X		

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SECTION I. GENERAL INFORMATION

A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emissions units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the EPA and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the original application submitted by Montana Power Company (MPC) on June 12, 1996, and an additional submittal on December 20, 1995, October 7, 1996, July 21, 1997, October 1, 1997, and December 21, 1999. Requests for administrative amendments (OP2953-02) were submitted on January 17, 2003, and February 14, 2003.

B. Facility Location

The PPL Montana, LLC (PPL Montana) J.E. Corette facility is located in Section 2, Township 1 South, Range 26 East, Yellowstone County, Montana.

C. Facility Background Information

Montana Power Company began operation of the Corette Plant in September 1968. The construction and operation of the plant began prior to the implementation of the Montana air quality regulations. No preconstruction permit was required. Changes made to the facility since 1968 have not triggered preconstruction permitting since the projects have not resulted in an increase of 25 tons per year or more of emissions from the change.

HB 311, the Montana Private Property Assessment Act, requires analysis of every proposed state agency administrative rule, policy, permit condition or permit denial, pertaining to an environmental matter, to determine whether the state action constitutes a taking or damaging of private real property that requires compensation under the Montana or U.S. Constitution. As part of issuing an operating permit, the Department is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 105, MCA, the Department has conducted a private property taking and damaging assessment and has determined there are no taking or damaging implications. The checklist was completed on September 9, 1997, for Permit #OP2953-00 and on February 12, 2003 for Permit #OP2953-02. The checklists are included in the Department files.

On June 18, 1999, the Department was initially notified the J.E. Corette facility would be sold by Montana Power Company (MPC) to the Pennsylvania Power & Light Global (PP&L). This correspondence stated that the expected closing would occur around September 2, 1999; however, subsequent phone conversations revealed the closing would be postponed. On December 21, 1999, the Department received final notice concerning closing of the sale for the J.E. Corette facility in Billings Montana. The signing of contracts transferring ownership to PP&L took place on December 19, 1999. An administrative amendment was issued effective December 29, 1999 to transfer Permit #OP2953-00 from MPC to PP&L (OP2953-01).

D. Current Permitting Action OP2953-02

The current permitting action is an administrative amendment to change the responsible official for the facility from Carlton Grimm to James Parker and to change the facility name from Pennsylvania Power & Light Montana, LLC to PPL Montana. These requests were submitted on January 17, 2003, and February 14, 2003, respectively.

SECTION II. SUMMARY OF EMISSION UNITS

A. Facility Process Description

One tangential coal fired boiler and associated equipment for the generation of electricity.

B. Emission Units and Pollution Control Device Identification

Emission Unit ID	Description	Pollution Control/Device Practice
EU1	Ash Handling System	Dust collection equipment; wetting at load-out chute; or contained railcars and trucks
EU2	Auxiliary Boiler	None
EU3	Coal Handling	Water on Conveyor No.3; covered conveyors, telescopic chute; or dust collectors
EU4	Coal Storage Piles	None
EU5	Gasoline Storage Tank	None
EU6	Internal Combustion Engines	None
EU7	J.E. Corette Boiler	Electrostatic precipitator
EU8	Plant Roads	Washed and cleaned
EU9	Process Ponds	Wet material
EU10	Diesel Tank	None

C. Categorically Insignificant Sources/Activities

The following is a list of the emissions units that are included as insignificant in this operating permit.

1. MPC listed the following emission units as insignificant:

Emission Unit ID	Description
EU11	Process Tank Vents
EU12	Carbon Dioxide System Safety Valves and Vents

2. The gasoline tank emissions unit was identified in the application as insignificant, but has been determined to be a significant emission unit. It has been determined to be significant using the current definition in the rules because there are applicable requirements that apply.

SECTION III. PERMIT CONDITIONS

A. Emission Limits and Standards

The following is a discussion of some applicable requirements.

1. On February 28, 1985, the Montana Department of Health and Environmental Sciences (now enforced by the Montana Department of Environmental Quality) issued a Notice of Violation/Order to Take Corrective Action for violations of ARM 16.8.1402 (now ARM 17.8.309). The particulate matter emissions from the Corette plant were in excess of those allowed by the regulation. The order required Montana Power Company (MPC) to submit a compliance plan. The plan was submitted on July 16, 1985 and called the Operation Modification Plan. The plan has been revised three (3) times and is now in Revision 4. The plan outlines the opacity values, which are applicable requirements and are used to demonstrate compliance with the particulate limit on a continuous basis. Method 5 testing is used periodically to demonstrate compliance.

The Operation Modification Plan-Revision 4 Appendix contains the plan itself, the Procedures Manual for Opacity Accuracy audit (part of Appendix III), and Appendix IV of the plan. The other portions of Appendix III contain data used to develop the plan and are not part of the operating permit. The data is contained in the MPC-Corette files and is dated December 14, 1989. Appendix I and II also contain data used to develop the relationship between opacity and particulate emissions and are not included in the operating permit. This data can be found in the files dated April 20, 1988.

The Department has added language to Condition RPC-2: "except that reports shall only be required on a quarterly basis, " to allow for quarterly instead of monthly reporting of opacity exceedances and QA/QC information.

Also, as part of the review of the Operation Modification Plan-Revision 4 and subsequent correspondence, the Department has added the following language to Condition MCO-1 to address ESP trips.

"As an addendum to the Operation Modification Plan-Revision 4 Appendix, the permittee shall be allowed 30 to 60 minutes to successfully reset an ESP trip. In the event that this procedure fails in the time allotted, then the appropriate corrective actions contained in the Operation Modification Plan-Revision 4 Appendix needs to be initiated."

This language addresses the issue raised in April 1994 concerning interpretation of the plan.

2. On August 19, 1996, the Board of Environmental Review issued an order to MPC, which included a signed stipulation. The order adopted revisions to the MPC control strategy for attainment and maintenance of the SO₂ National ambient Air Quality Standard for the Billings/Laurel Area. The emissions limits and methods of demonstrating compliance are applicable requirements for operating permit purposes. At this time the requirements are "state only" enforceable. At the time EPA approves the proposed SIP for the Billings/Laurel Area, the requirements will become federally enforceable.

B. Monitoring Requirements

ARM 17.8.1212(1) requires that all monitoring and analysis procedures or test methods required under applicable requirements are contained in operating permits. In addition, when the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance does not require the permit to impose the same level of rigor for all emission units. Furthermore, it does not require extensive testing or monitoring to assure compliance with the applicable requirements for emissions units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for a insignificant emissions unit is not threatened by lack of regular monitoring and when periodic testing or monitoring is not otherwise required by the applicable requirement, the status quo (**i.e., no monitoring**) will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emissions units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, the Department may request additional testing to determine compliance with the emission limits and standards.

The Department has determined for the fugitive emissions units located at the facility to require semimonthly visual inspections. The method of demonstrating compliance includes a requirement to observe specific sites and to log the information. The log will be kept at the plant site and be available for review during inspections. For certification, the permit requires verification the visual inspections were performed and the log was maintained. The Department intends this to mean, MPC will be responsible for making sure the activities have occurred and including a statement in the certification identifying that the required monitoring has been completed and the log exists.

C. Public Notice

As this permitting action is for an administrative amendment, no public notice is required for this action.

SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

The Department reviewed the rules and regulations contained in Section 8 of the application that MPC identified as non-applicable. The Department included those regulations, which it agreed were non-applicable to the Corette plant in the operating permit in Section IV along with the reasons for non-applicability.

The Department did not however identify all of the rules or regulations identified by MPC. Rules and regulations that identify procedural requirement and those that do not establish emission limits or applicable requirements on the facility were not included.

The following rules are not applicable to the facility due to date of construction being after the affected facility applicability date in the subparts: 40 CFR Subpart D and Subpart Y.

The Department has also determined based on the information supplied that to date, no preconstruction permit has been required for the Corette facility. The permittee has not made any changes to the facility, which have triggered an increase in 25 tons per year or more since 1968. The two changes the Department reviewed were the installation of the auxiliary boiler and the installation of a fabric filter on the coal handling system to replace a cyclone. The boiler was installed to replace existing start-up capacity located at the adjacent Bird Plant. The unit did not result in an increase of 25 tons or more of any pollutant. The installation of a fabric filter resulted in a decrease of particulate emission since the efficiency of the fabric filter is much greater than the previous equipment used to control emissions.

SECTION V. OTHER CONSIDERATIONS

A. MACT Standards

The Utility MACT that is under development is potentially applicable to this facility.

B. NESHAP Standards

As of the date of issuance of this permit, the Department is not aware of any future NESHAPS standards that may be promulgated that will affect this facility.

C. NSPS Standards

As of the date of issuance of this permit, the Department is not aware of any future NSPS standards that may be promulgated that will affect this facility.

D. Risk Management Plan

As of the date of issuance of this permit, this facility does not have any substance listed in 40 CFR 68.115 or 40 CFR 68.130 that exceeds the minimum threshold quantities. Consequently, this facility is not required to submit a Risk Management Plan.